DEPARTMENT OF HEALTH AND HUMAN SERVICES	FORM APPROVED
TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: HEALTH CARE FINANCING ADMINISTRATION	1. TRANSMITTAL NUMBER: 2. STATE: 0 3 0 0 6 CO 3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)
TO: REGIONAL ADMINISTRATOR HEALTH CARE FINANCING ADMINISTRATION DEPARTMENT OF HEALTH AND HUMAN SERVICES	4. PROPOSED EFFECTIVE DATE April 1, 2003
	ONSIDERED AS NEW PLAN
6. FEDERAL STATUTE/REGULATION CITATION: Social Security Act sec. 1902(a)(30)(A) 42 C.F.R. sec. 447.252(b) 8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Attachment 4.19-D Page 6	7. FEDERAL BUDGET IMPACT: a. FFY 2002-03 \$ (762,635) b. FFY 2003-04 \$ 0 9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable): Pages 6, 6-Cont.
10. SUBJECT OF AMENDMENT: Changes in Medicaid Nursing Facility Senate Bill 03-173, and deletion of old	Reimbursement related to Colorado bsolete material.
11. GOVERNOR'S REVIEW (Check One): GOVERNOR'S OFFICE REPORTED NO COMMENT COMMENTS OF GOVERNOR'S OFFICE ENCLOSED NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL	OTHER, AS SPECIFIED: As per Governor's letter dated Dec 14, 1999
12. SIGNATURE OF STATE AGENCY OFFICIAL: 13. TYPED NAME: Vivianne M. Chaumont 14. TITLE: Director, Medical Assistance Office 15. DATE SUBMITTED: April 28, 2003	16. RETURN TO: Colorado Department of Health Care Policy & Financing 1570 Grant Street Denver, CO 80203-1714 Attn: Trish Bohm
FOR HEGIONALS	

TITLE XIX OF THE SOCIAL SECURITY ACT MEDICAL ASSISTANCE PROGRAM

ATTACHMENT 4.19-D Page 6

State of Colorado

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATE - NURSING FACILITY CARE

B. Effective January 1, 1995, the administrative incentive allowance shall be calculated at twelve and one-half percent (12.5%) for the Class I and Class V Nursing Facility vendors for the difference between the ceiling and provider's costs for administration, property, and room and board cost per patient day that is less than the maximum reasonable cost. The administrative incentive allowance shall be calculated at twelve and one-half percent (12.5%) of the difference between the facility's audited cost and the maximum reasonable cost, not to exceed twelve percent (12%) of the maximum reasonable cost. No administrative incentive allowance shall be included in the reimbursement to Class I and V facilities for services rendered from April 1, 2003, through June 30, 2003.

Class II and the privately owned Class IV Nursing Facility providers shall continue to receive the incentive allowance for administration, property and room and board cost per patient day. The allowance is calculated at twenty-five percent (25%) of the difference between the audited costs and the maximum reasonable cost, not to exceed twelve percent (12%) of the maximum reasonable cost.

Maximum Reasonable Cost

minus

Audited cost per patient day for administration, property, and room and board. Difference times 12.5% (25% for Class II and privately owned Class IV).

No incentive allowance may be earned on health care services or food costs.

TRANSMITTAL NO.
Date Approved
Effective Date
Supersedes Transmittal

1-23-04 4-1-03